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ON THE
DISCOVERY IN FINANCE

OF

A FIXED MEASURE,

BY MEANS OF WHICH

TAXES MAY BE RAISED.

OUTLINE

ADDRESS

ON THE

DISCOVERY IN FINANCE



TAKES MAY BE RAISED

OUTLINE

OF AN

A D D R E S S,

ETC. ETC.

TRANSLATED FROM THE FRENCH OF

VERTAUL.

The soil belonged to no one; the alliance formed between force and justice converted what was only a possession into a property, and the present order of things existed. Governments are the guardians of order; the happiness of society and their own dignity can only be preserved by our giving to them a portion of the produce of soil and industry, whilst they watch over and protect us.—*Of Finances in General, Vol. 2. Of Taxes, Chap. 1. See the MS. of the Author.*



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DULAU & Co., Wardour-Street; L'HOMME, New Bond-
Street; and T. BOOSEY, Broad-Street, near the Royal
Exchange.

March 20, 1799.

OUTLINE

OF AN

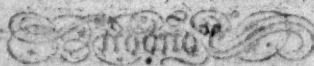
ADDRESS

ETC. ETC.

TRANSLATED FROM THE FRENCH OF

VERMOREL, M. D. D. D.

The soil belonged to no one; the alliance turned between
force and justice converted what was only a possession
into a property and the order of things changed.
Government and its children of order; the hap-
piness of society and their own dignity can only be pro-
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Chap. I. See the MS. of the Author.



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Street; and T. BOSELEY, Broad Street, near the Royal
Exchange.

March 26, 1790.

(0)

THE whole nation has acknowledged the necessity of laying a tax on every species of INCOME, that is to say, on the revenues and profits which individuals draw, either from the cultivation of the ground, or other works of industry, or from the interest of money lent; and you have enacted that the proportion shall be one-tenth of the whole.

You cannot fail to know, that the *mode* which you have adopted is as much disliked as the measure itself is approved of as being necessary; but you have declared that, not knowing any other *mode* or criterion, you could not but wish, for the good of the State, that a better might be presented to you *..... you have then authorized me,

* To see how the Right Hon. Chancellor of the Exchequer thought on this subject, let us consider how he expressed himself in the *Times* of the 19th May last, when a tax on property was proposed.—“ He concurred most cordially in
“ the principle of the measure, and joined in a wish with all
“ who were desirous that an equal tax should be imposed on
“ all kind of property: it was a measure to which he had
“ long directed his attention; but, in proportion as he felt
“ the importance, and could appreciate the utility, of a plan of
“ finance having that wise and magnanimous principle for
“ its basis, he felt and appreciated the necessity of considering it profoundly. At this moment it was utterly impracticable. Were the measure practicable, he believed there
“ would be but one wish expressed by the country, and that
“ would be that it should immediately take place; but
“ knowing that no period could be fixed for the perfection
“ of the plan, he would by no means give up a present resource, with any view to the operation of a principle

I will say more, you have imposed the obligation on me, as a friend of the public good, to announce to you my discovery.

I have long considered it as a principle, that a tax on income or revenue of every kind was the most natural, because its progressive influence could not hurt the liberty of the subject, if it could be rendered practicable, that is to say, if each person could be made to pay that which he ought to pay, and at the time it is in his power.... In fact, the Government being the guardian of the social compact and the rights of the nation, its dignity and our happiness lay us under the necessity of giving up a portion of our profits, whilst it watches over and protects us. Until, however, I discovered a *fixed measure*, which could render that practicable, I regretted that I had not the means of realizing the advantages which such a tax presented to me. The *mode* which you have *adopted*, joined to other existing circumstances, have made me feel more thoroughly than ever, the importance of such a discovery.

I shall not dwell on those ideas which fear or malevolence suggest. The nation will pay, most

"which, however just in theory, must, to be beneficial, first be rendered *practicable*: yet, once for all, he would repeat "an equal tax, such as had been alluded to, was with him "a favourite measure," &c...."

individuals desire to pay in proportion to the value they set on their lives, liberties, and properties, or the exercise of their industry..... That glorious zeal for the public weal which characterizes so well the English nation, after having received our applause, requires that we should second it, by furnishing the means. In haste to arrive at the end in view, I shall, in as brief a manner as I can, enquire into, what is necessary towards attaining it.

I shall examine,

FIRST, THE NATURE OF THOSE WHO ARE TO CONTRIBUTE. THE NATURE OF PROPERTY. THE WISH MANIFESTED BY THOSE WHO ARE TO PAY.

SECOND, THE SPIRIT OF THE INCOME ACT.

THIRD, WHETHER THE MODE ADOPTED ANSWERS TO THE WILL MANIFESTED BY THE MAJORITY OF THOSE CONTRIBUTING AND TO THE SPIRIT OF THE ACT ?

FOURTH, I SHALL FINISH BY ENABLING YOU TO JUDGE OF THE POSSIBILITY OF MY DISCOVERY, AND WHETHER IT IS IN ITS NATURE SUCH AS WOULD ANSWER TO THE WILL OF THE MAJORITY OF THOSE CONTRIBUTING, AND TO THE SPIRIT OF THE ACT.

My labours will be rewarded by the pleasure I

shall feel, if I can induce you to believe in the reality of the principle which I have discovered.

FIRST, The nature of those contributing.

Those contributing divide themselves into two classes—Such persons as live by the produce of property compose the first class.

The second is composed of those who live by the produce of industry.

NATURE OF PROPERTY.

Property consists of moveable and immoveable.

Immoveable property comprehends land, mines, houses, and in general every thing that cannot be removed without changing its nature.

Moveable property consists of the successive productions of nature, and of industry.

One species of property may be possessed by a person who has none of the other, and great revenues may exist without either one or the other of these species of property.

Those persons who possess land, mines, stone quarries, &c. &c. are called *propriétaires fonciers*.

Those who possess cattle, ships, merchandises, bills of exchange, shares of trading companies, contracts, bonds, &c. &c. are called *capitalistes*.

Men who lend money on interest, whether in the form of gold, silver, or paper, are generally called *monied men*.

All those different sorts of proprietors belong to the *first* class.

The *second* class comprehends all persons who receive salaries or wages, artists and artisans, or in other words, men, who without the aid of capital, live by industry and exertion.

WISH OF THOSE CONTRIBUTING.

The wish of those contributing as manifested by the majority, is to give to Government the portion necessary of his profits in the most convenient and easy way that it can be done ; so that each should contribute his true proportion.

SECOND. SPIRIT OF THE ACT.

The spirit of the act is, that Government shall receive one-tenth of the annual revenues, or daily profits of every individual ; that this shall be done without vexation or constraint, but in such a manner that the ill intentioned, or those who are so ignorant as not to know that supporting Government is protecting themselves, shall not be able to avoid the payment of their proportion. The tax is destined to pay ten millions towards the indispensable expences of this year, according to the calculations of the Right Honourable the Chancellor of the Exchequer, who states the annual produce of soil and industry in this kingdom at 125 millions, and making some necessary deductions from the gross sum, puts it down at 102 millions, thus :

ESTIMATE of the ANNUAL PRODUCE of the Soil and Industry in England, as presented to Parliament by the Chancellor of the Exchequer, the 3d December, 1798.

	Annual Produce.	Deduction for Incomes under 60l. which do not pay, and for those under 200l. which do not pay in full.	Income Bill Taxed.
Rents of Land 40,000,000 of Acres, at 12s. 6d. per Acre, . . .	£. 25,000,000	$\frac{1}{2}$ — 5,000,000	£. 20,000,000
Profits of Farmers, . . .	19,000,000	$\frac{1}{2}$ — 13,000,000	6,000,000
Tithes to Clergy, . . .	5,000,000	$\frac{1}{3}$ — 1,000,000	4,000,000
Mines, Canals, and Forests, . . .	6,000,000	$\frac{1}{2}$ — 1,000,000	5,000,000
Inhabited Houses, . . .	2,000,000	. . .	2,000,000
Professions, . . .	5,000,000	. . .	5,000,000
Scotland, 1-8th of England, as taxed, . . .	5,000,000	. . .	5,000,000
Income arising from Possessions beyond Sea, . . .	15,000,000	$\frac{1}{3}$ — 3,000,000	12,000,000
Interest of Public Funds, deducting Sums vested in Commis- sioners for Sinking Fund, and Interest of redeemed Capital	12,000,000	. . .	12,000,000
Profits on Foreign Trade, at 15 per Cent. on £. 80,000,000 }	18,000,000	. . .	28,000,000
Insurance, . . . }	10,000,000	. . .	
Profits on Home Trade, at 15 per Cent. }			
Other Trades, Masons, Architects, Distillers, Artists, Arti- sans, &c. . . }			
	£. 125,000,000	23,000,000	102,000,000

Estimate of the Annual Produce of the Soil and Industry of England, as presented to Parliament by the Chancellor of the Exchequer, the 3d December, 1798.—Divided into REVENUES THAT ARE FIXED, and UNCERTAIN PROFITS.

FIXED REVENUES.		UNCERTAIN PROFITS.	
Rent of Land	£ 20,000,000	Profits of Farms	£ 6,000,000
Tithes of Clergy	4,000,000	Mines, Navigations, and Forests	3,000,000
Rents of Houses	5,000,000	Professions	2,000,000
Revenues of Scotland	2,000,000	Profits of Trade, &c. in Scotland	3,000,000
Possessions beyond Seas	2,000,000	Profits arising from Possessions Abroad	3,000,000
Public Funds	12,000,000	Profits of Foreign Trade	12,000,000
	<hr/> 45,000,000	Profits on Home Trade	28,000,000
			<hr/> 57,000,000

45,000,000 certain, on which a Tax of one-tenth will produce 4,500,000
 57,000,000 uncertain, one-tenth of which will certainly *not* amount to 5,700,000

£ 10,200,000

If the Produce of Soil and Industry only amount to 125 Millions, it will scarcely be believed that, by the present Mode, more than Seven Millions can be raised. It will then be necessary, next Year, to make up the Deficiency by laying a heavier Tax on Fixed Revenue, and so to go on, gradually so long as the Wants of Government continue.

ESTIMATE of the ANNUAL PRODUCE of the Soil and Industry in England, as presented;

The INCOME then of the individuals in the nation, is composed of the produce of the soil, and of industry put in movement and general circulation. These divide themselves into revenues that are certain, and profits that are uncertain.

By revenues that are certain, are meant all that individuals receive yearly, without deduction from the rents of lands, houses, interest of money lent to Government, annuities, pensions or salaries.

These amount to 45,000,000.

By profits that are uncertain, are meant what individuals receive without deduction from labour and industry.

The Chancellor of the Exchequer has estimated those at 57,000,000.

I now ought to consider whether the mode adopted, answers to the wish of those contributing, and to the spirit of the bill. To be more clear in inquiring into these two things, I shall inquire to what class of men those belong, who can most easily avoid the payment of the *tax on income*. You have heard the Chancellor of the Exchequer say, that "the mode adopted, last year, although it approached pretty near the desired end, could not, however, prevent some shameful evasions, as ruinous to the nation as hurtful to the public good."

If, indeed, the person who lives on a fixed revenue cannot evade the payment of the income tax, because his property itself would rise up a witness against him, those who live by industry, or the interest of money lent, may do so, as the case of last year, because time and circumstances favour them, so that the nature of things place irrevocably those who *can* evade the tax in the second class of those who contribute; as well as those whose noble enthusiasm would lead them to pay, when time and circumstances tend to prevent it.

3. THE MODE ADOPTED—DOES IT ANSWER THE WISH OF THOSE CONTRIBUTING AND THE SPIRIT OF THE BILL?

I shall not present to you a picture of the mode adopted; it is known: the public has judged of it, and the speech of the Right Honourable the Chancellor of the Exchequer is yet reverberating through this island.

“ I am not sufficiently presumptuous to think,
 “ that a considerable evasion may not take place,
 “ but we shall attain the end, as near as a just and
 “ reasonable view of fortunes will admit. We
 “ may at least flatter ourselves that we shall at-
 “ tain great advantages; for experience gives us
 “ lessons, and our duty tells us to profit by
 “ them.”

It is then from the hands of experience that the nation is to receive the income tax in its perfect state ; that plan which is to save the Empire and drive its enemies to despair*, and which, by the aid of the mode adopted is to ascertain the amount of revenues that are certain, as well as uncertain profits, with all their infinite variety.

Experience, it is true, mother of the arts and sciences, clears up the doubts of man and dissipates his ignorance, teaches him to bring to perfection his works ; it recompenses him for his care and attention by opening to him the secrets of nature, and goes even so far as to trace to him the road to happiness. But experience exerts no power except over what exists ; it would be in vain to expect that experience would render fixed that which is in itself variable, or variable that which is fixed. Experience may indeed develope a principle without which the receipt of the tax on income would become excessively unequal and excessively arbitrary—such are the recompenses it bestows on those who employ themselves in seeking the happiness of their fellow creatures.... But experience

* If that plan (said the Chancellor of the Exchequer) had been adopted at the beginning of the war, we should not now have felt any of those embarrassments which cross us in our way and impede our progress.

will never give to the *mode* adopted that fixity which belongs to the true measure for taxing income. That mode or *criterion* can only then add new embarrassments to those that have already existed*, and by adding the injustice of men to the injustice of the thing, make him, who has a certain visible revenue, feel the ruinous inequality of an impost which he never can evade nor alleviate, while those who can do both, will become sensible of the great facility with which the evasion may be accomplished.

Let us *examine what naturally will be the consequence of this* :

I shall not seek to blacken the picture. The love of public good shall not make me forget the respect I owe to the majority of the nation, which wishes to pay, and will pay. But I will contrast the impotence of the well-intentioned majority who wish to pay, with the successful efforts of that minority which wishes to evade the tax.

I shall not drag before the tribunal of the commissioners the man who has a fixed revenue; his property is known, and will witness against him,

* I will venture to advance, says the Chancellor of the Exchequer, that there is not a land-holder or a stock-holder in England who would not give a tenth of his property for himself and posterity for ever, to preserve the rest, which, without this plan might be taken from him.

if necessary ; it is very probable, then, that this class will produce what the Right Honorable the Chancellor of the Exchequer has calculated (45,000,000).

I shall not cite before that tribunal the farmer, artist, or manufacturer, that class which only lives by the profits which time and circumstances permit them to draw from their labour, in order to exist, and have a few of those enjoyments which reconcile them to the first class destined to enjoy..... neither shall I speak of the merchant or shopkeeper, who, rich yesterday, may be ruined to-morrow ; all of these have testified a desire to give a portion of their profits, and, if they do not do so, it will be, *because the mode adopted, which makes no allowance for times or circumstances (on which profit and loss, as well as our necessities, depend), may put it out of their power.*

But, say the malevolent, they will be equally obliged to pay at fixed periods the tenth of their supposed profits.

The Government will never insist on what is impracticable ; it knows that its own necessities for receiving, do not give the means of paying to those who have it not ; it knows that few commercial transactions are done for ready money, but mostly at a distant day ; that profits are only **real**

real when they are received, and that failures and accidents often make them vanish away: it knows that many individuals who, for twenty-five years past, have gained 600 l. a year by trade, are not worth 1000 l. in the world, although they have not been wasteful nor extravagant.... But I shall not attempt to make a mathematical calculation of the reduction * which these annual profits will have to bear according to the estimate of the Chancellor of the Exchequer (57,000,000l.)..... There are truths that do not require demonstration; it would, besides, be insulting Government to suppose that it would wish to oppress the commercial world, that world which changes lakes and deserts into empires, of which the prosperity vanishes the moment that those into whose hands the power has been committed, venture to oppress it.

* I confess (says the Chancellor of the Exchequer, in speaking of the treble assessment), that, although I have adopted the plan which appeared to me the best to answer, yet I have not obtained my end; not owing to any defect in the principle of my plan, nor by a wrong calculation of the riches of this country, but on account of the undue declarations which particular individuals may permit themselves to make, and by the false returns of property, &c. &c.

I will, however, drag before the Commissioners those persons of the second class, whose *monied wealth has as yet evaded every mode of taxation*; those alone who will fully and with impunity enjoy, by a criminal evasion, the imperfection of the plan adopted. Those men of money, a degraded species, whose consideration and weight in a State has always been the harbinger of public ruin and destruction, always the active instruments of intrigues and conspiracies, desiring no liberty but that of accumulating wealth, which they do both from governments and the enemies of governments, until those perish who can no longer pay for their services..... The first person whom I see quit the tribunal with the assurance of impunity, is a man who sold his acres about ten years ago for 10,000 l.; he then had a yearly income of 300 l., which he expended; since then, he has employed that sum in the purchase and sale of navy-bills, in lending to distressed manufacturers on goods, which he sends to Hamburgh, and sells at *their* risk and a great loss. His profits have been measured by the wants of the borrowers; and, as he has learned to know how to employ money, he has reduced his yearly expences from 300 to 200 l., without changing his mode of living, because he now buys what he wants from the necessitous with ready money.

His fortune now amounts to 40,000 l.,* which he keeps in an iron chest, and he has just been taking an oath that he, with much difficulty, gains 500 l. a year; 300 of which he is compelled to expend. His declaration has been received, *for it is impossible to prove the contrary*; he will pay 20 l. † in six equal payments !!!

I see another, who, for some years, has lived in a second floor, where he commonly expends 300 l. He has got, in his iron chest, 60,000 l., which he employs daily to aid those who are in distress, to relieve their goods from the Custom-House. He takes payment proportioned to the service he thinks he renders in keeping a part of the goods, which he has estimated at the lowest price: he has just sworn that he gained 800 l., and expended 300 l. *There is no means of proving the contrary*; so that, though he gains from

* Gold (says M. de Rivarol, one of the *beaux esprits* of the age), like the sun, which melts wax and hardens clay, develops great minds and makes bad hearts still worse.

† In estimating the profits of this man only at 15 per cent., as the Chancellor of the Exchequer has generalized profits, he should have gained 6000 l., consequently paid 600 l.; and, as he has only to pay 20 l., the deficiency of 580 l. will fall on those persons who have fixed revenues.

£ to 10,000 l. a year, he will only pay 50 l. * to the income tax.

Let us cease to pursue observations which only lead to develop the source of those scandalous fortunes which have augmented, for some years past, in as rapid a progress as the wants of Government and of the people, while they show us the advantages enjoyed by those perverse men, in the facility with which they can evade payment of an impost destined to save the Empire ; and, on the other hand, point out the regret and despair of many honorable and fair men who, having little else to give than useless wishes, are obliged to avow, to the enquiring Commissioners (who may be the relations or friends of their creditors), that they have no longer the fortune they were once known to possess ; that appearances alone have kept them alive since the loss of fortune, and the hopes of one day repairing their misfortunes ; but that the violation of their secret seals their ruin.

Will it be exaggeration to say, that the uncertain profits, which are calculated at 57,000,000, *which consists of the expenditure of fixed revenue, and the profits of British industry with foreigners,*

* This second man will throw a greater burthen, in proportion, on those who have fixed revenues, that is to say, about 800 l. a year !!!

from which the current expences of the individuals are to be deducted, will scarcely produce 2,500,000

To which add the tenth on fixed revenue 4,500,000

The total revenue to Government

will then be 7,000,000

instead of 10 millions, occasioning thereby a deficiency of three millions,* which must next year be levied on those who have fixed revenues, and so progressively, as long as the Government expences do not suffer any diminution. This will necessarily oblige this class of proprietors to diminish their expences, and thereby hurt the general mass of industry, and the active circulation of money, which renders the country more or less flourishing.

“Nature is just,” said the immortal Montesquieu; “she recompenses men for their labour, attaching the greatest rewards to the greatest effort; but, if any arbitrary power takes away the reward which nature gives, labour be-

* I thought (said the Chancellor of the Exchequer, in speaking of the treble assessment), that it was natural to have some visible criterion by which property might be ascertained, rather than incur the necessity of investigating into the property of the different classes of the community: I know that the wealth of the country might be affected by such a scrutiny, and therefore had recourse to what was admitted to be a good standard.

"comes disgusting, and rest seems the only good
"left."

In fact, if the *propriétaires fonciers* and *capitalistes* are under-rated, their ease gives more movement to the Society at large.

If the men of money pay too little, the augmentation of their fortunes throws the society at large into torpor and inactivity.

If manufacturers and farmers pay too much, the body social perishes by the languor that follows.

Thus it is we find that the unequal repartition of taxes brought on the fall of the Eastern Empire. Then, as well as now, the fortunes of the men of money could not be laid under contribution, and the necessities of the State and of the people augmented with the fortunes which those rapacious egotists amassed. The interest of money rose to an exorbitant height, and the taxes passed from inequality to oppression *, and from oppression to mere acts of arbitrary power, which gave occasion to that astonishing facility with which the Mahometans became conquerors.... "The Oriental people," said that celebrated writer whom I have already quoted, "instead of that continual train of vexation invented by perversity and

* Look to the history of that period, and you will see the inequality, the extent, and the Bizarre folly of the taxes—Anastasius invented one on the air they breathed !!!

“ ignorance, saw themselves subjected to a simple
 “ tribute, easily paid, and easily received, more
 “ happy in obeying a barbarous nation than a
 “ corrupted government, under which they suf-
 “ fered all the inconveniences of liberty they had
 “ long lost, joined to all the horrors of actual
 “ slavery.”

I am persuaded, that I have proved that, ac-
 cording to the nature of those who have to con-
 tribute, as well as the nature of property itself,
 the mode adopted will neither answer the wish
 of the majority of those who are to pay, nor will
 it answer the spirit of the bill.

It now remains for me, as my fourth task, to
 prove to you, the possibility of my discovery,
 and that, by its nature, it is such as will answer
 the desire of those contributing, as well as the
 spirit of the bill. I shall confine myself at pre-
 sent to facts and proofs.

When God abandoned to our care *moral order*,
 undoubtedly he intended that it should be our
 own fault if, as well as *natural order*, it was not
 reduced to a certain and invariable regularity.
 We are capable of discovering the principles of
 moral order, and directing their effects, as a
 moving power. Thus, by the aid of study and
 experience, a principle belonging to moral order
 may be discovered, as we have seen the immortal

Newton discover even the nature of light and the laws of the universe.

Before the discovery was made of striking money* of gold and silver as a measure for the value of things, commerce, compressed and held down, existed during many barbarous ages, before it was ever imagined or foreseen that it would one day have such an influence on social happiness. When money was struck, then nations and people soon found the happy effects which commerce produced by its recent activity. The Athenians did not then any longer make use of *oxen* as a measure for the value of things; the Romans no longer employed *sheep*. All felt the advantage of no longer having the uncertainty of such variable measures to add to the uncertainty of trade, and of the thing to be measured. I shall not here follow the progress of commerce; I should be afraid of straying from my subject; it is sufficient to observe that it unites people, softens manners, perfects arts, and enriches sciences, and that, though sometimes de-

* Herodotus, in *Clio*, says the Lydians first invented the art of striking money; the Grecians learned it from them, and the ancient money of Athens bore the impression of an ox. (I have seen one of these pieces, says Montesquieu, in the cabinet of Lord Pembroke.)

stroyed

stroyed by conquerors, or fettered by monarchs, it wandered over the world, and, flying from oppression, reposed where it found the most liberty. It is in this country that commerce has established its empire; more than any other nation you enjoy its favors; it only remains to you to secure their continuance.

The *principle which I have discovered* (as I have stated it in a pamphlet, intitled the *Debts of Nations, &c.*) is a *fixed measure*, by which one-tenth, or any other proportion of the national income, may be levied, and that, at the time when each person could and ought to pay, *without vexation or constraint, or without the means of evasion.*

If it is difficult to conceive that *principle*, to deny its existence, would be to say that there is no possibility of collecting a tenth of income in the nation; it would be to say that there is no possible *mode* of receiving a tenth on income without making a general embarrassment, the necessary consequence of which would be a diminution both of the productions of soil and industry; it would, in a word, be to decide that the plan of the Chancellor of the Exchequer, far from saving the Empire, would only accelerate the destruction of the present order of things. But let us avert such sinister omens.

Let us enquire whether it would be absurd to believe, that the Government could, by the aid of a *fixed measure*, raise, upon what arises from agriculture and manufactures, a portion of the profits at the moment each individual receives them, and that it could do so without vexation, constraint, or evasion.

Profits arising from agriculture or other industry are *measured by money made of gold and silver*; but we shall be told that gold and silver were adopted as a measure, because besides being precious metals, and therefore susceptible of nice division, they have the double advantage of representing the value of things, and of being represented by them. *That measure*, it is true, possesses those advantages; but *bank notes represent not only the value of other things, but of gold and silver struck into money*; they nevertheless have none of the physical qualities of metallic money, yet it is since you only consider gold and silver in the point of view of their intrinsic value that the nation is raised to a high degree of prosperity never attained by any nation before.

The productions of soil and industry have then for *measure of their value* a *real measure*, and a *fictional measure*.

It has also been found possible to *measure the*

quantity of national produce, as is proved by the calculations of the Chancellor of the Exchequer.

The measure of the *value of things*, and the measure of *quantity of things*, have then both been discovered, and yet one would not believe in the possibility of a measure by which a Government could levy as a tax a portion of profits, the amount of which has been estimated.

If there did not exist a *fictional measure for the value of things*, this incredulity might appear well-founded; but when we experience every day the happy influence of bank notes, can we misconceive the principle which gave them being, and not know how to *direct their effects*.

The difficulty in this case exists only in the levying the tax, founded on this, that if Government has an interest in receiving equally from all, certain individuals think they have an interest in paying as little as they can. But *numbers, weights and measures*, which have produced such great advantages to commerce, prove, that the knowledge of proportions leads to discovery by analogy *.

† Nature (says M. de Rivarol) having provided man with industry and undefined liberty, only owed him materials to work upon. Half concealed and half covered with a veil, she conceals and points out by turns the rewards and promises. It re-

and MAY RECONCILE THE GENERAL AND PARTICULAR INTEREST, even when they seem to be at variance, and that, by *measures which, on account of their invariability, all obey without constraint, vexation or evasion**. In fact it was not by his genius that Newton analyzed and dissected the rays of light, and the cause of the laws of heavenly bodies by Kepler. His genius never could have arrived at that, if it had not been prepared for it by the study of proportions. It is then from the law of proportions, which to *its certainty joins variety*, that the *fixed measure* may be obtained for raising the tax on income, without *which measure that tax would become of an excessive inequality, and prodigiously arbitrary*.

remained, therefore, for us to find out the fruitfulness of the earth in the employment of its metals; to see cities and houses in its quarries; to demand clothing from its flocks, ships in the forests and from the loadstone the key of the seas: we were left to dispute with the winds the sands which they disperse, and turn them into crystal, with which we might one day examine a *ciron*, or explore the most distant objects of the heavens.

* In the case of the yard, which is a fixed measure, the nefarious seller has an interest in selling only 33 or 34 inches of cloth, suppose for 36; but then again the risk of detection comes in, stifles the interest to do wrong, so that the individual interest and general interest are perfectly reconciled to the use of the measure—in weights it is the same, and in my fixed measure it will be so too.

It is necessary then, in order to doubt of the existence of the principle which I have discovered, not to believe in analogies, nor know that the English yard has 36 inches, or 432 lines; that it is a measure settled by agreement, because any measure that is longer or shorter, is not a yard; and that every dealer or merchant who uses such a measure, submits to its measurement without constraint or vexation, yet without any means of evasion, because the individual and general interests go hand in hand.

After having proved the possibility of a measure capable of raising the tax on income, I hope it will not be difficult to shew that such a measure would answer the wish of the persons contributing (I mean the majority), as well as to the spirit of the bill.

My measure will answer the wish of those contributing, because the majority having manifested the will to pay, that measure will touch daily profits and confounding the amount of the tax with the price of the object, the consumer will pay it without his personal interest (the grand mover of human actions) making him feel the weight of it *.

* We are told by many historians that Nero repealed the duty of the 25th laid on slaves, when sold; but Nero had

It will answer the spirit of the bill, because as it will measure profits as well as fixed revenues, it will raise the tenth on the produce of soil and industry, which (evasion being out of the question) it does appear by calculation, will amount to more than 10,000,000.

Thus reconciling the wish of those who contribute with the wants of Government, this measure would, in case of necessity, facilitate an augmentation of taxes, which in no case could be injurious to liberty, nor force industry to a retrograde motion, which is always the prelude to the fall of Empires.

I hope I have proved that it is impossible, without danger, to put the present mode in execution, at the same time that I have shewn the possibility of my discovery, as well as the advantages that would result from it.

The development which I have given to my ideas, will furnish, without doubt, in time, the persons who study political economy, the means of coming at the principle of my discovery.

If, nevertheless, they do not, I offer to impart the

only ordered the duty should be paid by the seller, instead of the buyer; by this edict, the tax was looked upon as entirely taken off, though, in fact, it continued the same.

discovery. I shall not calculate the price* according to the service it will render the country. If the desire to be of service, makes me feel it as a duty to confine myself to what I may reasonably expect, my own *situation* obliges me likewise not entirely to lose sight of my own personal interest.

* Since I have published in French the Outline of this Address, it has been given out as a certainty, that if my applications for imparting a discovery in Finance have not been attended to, it is because better terms were expected from the person to whom, it is said, I have entrusted my secret. I think it my duty, not only on my own account, but on the account of those gentlemen of the highest rank and respectability, who have been so kind to exert themselves to get my plan presented to the Minister, to set aside the false ideas which evil minded persons have contrived to impress on the public; to that end, I pledge myself that I have not imparted to any body, and that (to my knowledge) no person whatever could materially point out what I call a *Fixed Measure*: by which every individual will be made to pay the tax on income without constraint, without any inquisitorial or vexatious process whatever, and without having it in his power to evade the payment. But to subvert at once all that might be said contrary to this, my present assertion, I bind myself most solemnly to impart, *without a reward*, this plan or *Fixed Measure* (the fruit of my labour), in case any person should pretend to offer any thing in appearance similar to it; on condition, however, that I shall receive a sum equal to the merits of my discovery, if the measure so offered by such a person should fall short of the many advantages peculiar to mine.

FINIS.

